



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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Nevada Dry Cleaner Owner Indicted for Filing False Tax Returns and Obstructing the Internal Revenue Laws

A federal grand jury in the District of Nevada returned a superseding indictment on May 10 charging a Las Vegas woman with two counts of filing false tax returns with the Internal Revenue Service (IRS) and one count of corruptly endeavoring to impair and impede the due administration of the internal revenue laws, announced Acting Assistant Attorney General Caroline D. Ciralo of the Justice Department's Tax Division and U.S. Attorney Daniel Bogden of the District of Nevada.

According to the superseding indictment, from at least 2005 through at least 2009, Judith Woodward, then known as Judith Atwell, was the 99 percent owner and joint operator of a dry cleaning business, Canyon Gate Cleaners, in Las Vegas, Nevada, which she held in the name of a partnership called Canyon Enterprises LLC. Woodward is alleged to have underreported the gross receipts of Canyon Gate Cleaners on the partnership's 2005 through 2009 tax returns. She is also alleged to have underreported her personal income on her 2005 through 2009 individual income tax returns.

According to the superseding indictment, between at least 2005 and 2009, Woodward concealed the true gross receipts of the business by depositing hundreds of thousands of dollars of cash receipts into personal bank accounts she controlled or by not depositing the cash receipts into any bank account. The superseding indictment alleges that Woodward fraudulently withheld information regarding the business's gross receipts and her personal income from the individual who prepared the business's partnership tax returns and her individual income tax returns for the years 2005 through 2009. Woodward is alleged to have used tens of thousands of dollars of unreported cash business receipts for personal expenditures, including the purchase of luxury vehicles. Woodward is also alleged to have made false and misleading statements to special agents of IRS-Criminal Investigation (IRS-CI) during an interview in June 2010.

If convicted, Atwell faces a statutory maximum sentence of three years in prison and a \$250,000 fine on each count of the superseding indictment. She also faces supervised release and restitution.

An indictment merely alleges that a crime has been committed, and a defendant is presumed innocent until proven guilty beyond a reasonable doubt.

Acting Assistant Attorney General Ciraolo and U.S. Attorney Bogden thanked special agents of IRS-CI, who are investigating the case and Trial Attorneys Christopher S. Strauss and Eric C. Schmale of the Tax Division, who are prosecuting the case.

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